

LIMITED RIGHTS FRANCHISE AGREEMENT

THIS AGREEMENT in entered into this 9th day of May, 1996 by and between Total Car Franchising Corporation, 3305 Breckinridge Boulevard, Suite 100, Duluth, Georgia 30136, a South Carolina corporation (referred to as "Colors on Parade," "we" and/or "us" throughout this Agreement), and Devin Hamden, 1835 Westover Avenue, S.W., Roanoke, VA 24015 (the individual).

We have acquired the rights to and refined a quality on-location appearance technology for a broad variety of means of transportation that have paint on them. We have identified this technology and the business system that delivers it as "Colors on Parade." We call the marketing, technological and business methods we have developed our "System."

We have, at considerable expense, created a demand for our products and services. We have considerable goodwill associated with our trade name, trademark, trade secrets, service marks, insignias, and logos. We call these our "Commercial Symbols."

We have the exclusive right to the trademark, "Colors on Parade" and other proprietary marks, along with the goodwill connected with them.

You want to obtain the right to use our Commercial Symbols in the operation of a comprehensive on-site automotive surface restoration business and to obtain know-how about our Products and Services and our System.

You acknowledge that you have fully reviewed this Agreement and that you have obtained advice and counsel from your own advisors before you sign it.

You acknowledge the importance of our Commercial Symbols and the need to maintain the uniform high standards of quality, appearance and service associated with them.

You recognize the necessity of operating the franchised business according to the provisions of this Agreement and all of the standards and specifications of our System;

THEREFORE, we agree as follows:

1. GRANT OF RIGHT

Subject to this agreement's terms and conditions, we grant you the right to use the Colors on Parade Commercial Symbols in conjunction with the sale of Colors on Parade Products and Services only in the your specifically designated territory (simply called "territory" in the rest of this agreement) described in the attached Partial Assignment of Rights.

You recognize that at times due to temporary work overloads or other valid reasons there may arise a need to share in working in another franchisee's territory or to have assistance in servicing your own territory as coordinated by the Area Developer. In these cases you agree to cooperate, to the extent possible, with the Area Developer. This will enable you and all other Colors on Parade franchises to enhance the goodwill and value associated with Colors on Parade products and services.

You also recognize that the Area Developer has control of many accounts assigned to his DMA. You shall in the Area Developer's sole discretion, have opportunity to share in these accounts.

2. TERM AND RENEWAL

Initial Term. The initial term of this Agreement shall be for 15 years from the effective date of this Agreement.

Renewal. You may, at your option, renew this Agreement provided you have:

delivered to us written notice at least three but not more than six months before this Agreement's expiration of your election to renew this Agreement;

elected one of the following: (1) execute the then current form of Franchise Agreement used for new franchises. The then current form of Franchise Agreement will supersede this Agreement in all respects and terms, and may contain commitments which differ from the terms of this Agreement; or (2) execute a one-time renewal of this Agreement for an additional period of fifteen years;

paid to us a renewal fee of \$150; and

met all the terms of this Agreement at the time of renewal and are not in default.

3. INITIAL AND CONTINUING FEES

Initial Franchise Fee. In consideration of the rights and privileges this agreement grants you and the services we are to render and materials we are to provide, you agree to pay an initial Franchise Fee in the amount of \$500. The Initial Franchise Fee is fully earned and nonrefundable once we approve this Agreement.

At all times after you start operating, you shall pay the following recurring fees:

Continuing Royalty Fees.

In addition to the Initial Franchise Fee, and for the rights and privileges granted you, you shall pay us a nonrefundable monthly Continuing Royalty Fee of ~~forty percent (40%)~~ ^{Twenty Seven percent (27%)} of Gross Sales. The Area Developer holding the DMA in which your franchise is located shall collect this amount. The Area Developer shall be responsible for billing and collecting for your services. After remitting seven percent (7%) of gross sales to us, the Area Developer shall retain the remainder of the ~~forty percent (40%)~~ ^{Twenty Seven percent (27%)} royalty for his services and pay the balance back to you. The Area Developer will use the amount retained to perform the services set out in the Area Development Agreement as well as any performance rebates of royalties to you as may be agreed on by you and the Area Developer. Colors on Parade provides general performance rebate guidelines to the Area Developer that he may adapt and apply to his own DMA and the individual circumstances of each franchisee in that DMA. (See attached "Performance Rebates of Royalty", Exhibit B, Addendum 3.)

"Gross Sales," as used in this Agreement, refers to all billable services rendered and work done, less State or local sales taxes collected for the State or local taxing authority and less any credits allowed. Continuing Royalty Fees shall be due on the 20th day of the month for Gross Sales made in the immediately preceding month.

The monthly period for determining Continuing Royalty Fee calculations shall be defined as the calendar month.

Finder's Fee. We may require compensation from you if, at your request, we use our resources and at our expense locate a qualified buyer for your business.

Manner of Payment. Unless otherwise provided in writing, all fees and other amounts due us under this Franchise Agreement shall be paid as designated in the Operations Manual.

4. WHAT WE WILL DO FOR YOU

We will supply the following products and services:

Territory - designation of an assignment of territory through the Area Developer. Territory shall be defined as active, serviceable accounts

Confidential Operations Manual - the loan of one complete Confidential Operations Manual.

Training - continuing annual training in technical applications and operating a Colors on Parade Business. You must attend a business training school before the conclusion of the first year of business. You shall be responsible for transportation, meals and lodging while attending these courses.

Assistance - in establishing and maintaining initial accounts in your territory through the Area Developer.

We shall provide the following products and services on an ongoing basis:

Public Relations assistance and technical updates, newsletters and seminars.

List of suppliers of products and services we approve, updated from time to time as necessary to maintain the high quality standards associated with our services.

Technical Field Representative to provide on-the-job technical help, via phone or first class mail.

Toll-free telephone numbers for technical, operating, marketing, and financial consultations.

Annual Meetings - You have the right and obligation to attend, free of charge, franchise conventions (travel, meals and lodging expenses are not included).

5. WHAT YOU MUST DO

Mobile Unit- Before starting business, you must have a van that conforms to the design described in the Operations Manual and other printed directives form us.

Licenses, Permits, Certifications- You shall, prior to opening, obtain all permits, licenses and certifications required by federal or local law for the franchise's operation. You shall comply with all applicable environmental laws and regulations.

Training- You shall, prior to opening, be certified by us as qualified to operate a Colors on Parade franchise.

Advisory Council- You have the right and obligation to join the Colors on Parade Franchise Advisory Council (COPFAC).

Promotion- You shall use your best efforts to actively promote the sale of Colors on Parade Services within your territory under the guidance of and in cooperation with the Area Developer.

Use, Display and Ownership of Commercial Symbols

You acknowledge we have exclusive rights to the Colors on Parade Commercial Symbols and that only we or our designated franchisees have the right to use them as they may presently exist or be acquired by us and licensed for your use. You acknowledge that valuable goodwill is attached to these commercial symbols, and that you will use them only in the way specifically licensed by this Agreement.

You understand and agree that we, in our sole discretion, have the right to operate businesses under those marks and to grant other licenses in, to and under the Colors on Parade Commercial Symbols.

You expressly agree that during the term of this Agreement, and after its expiration you shall not directly or indirectly contest or aid in contesting the validity or ownership of the Colors on Parade Commercial Symbols and copyrights.

You expressly recognize that any and all goodwill associated with Colors on Parade's Commercial Symbols and copyrights, including any goodwill which might be deemed to have arisen through your activities, belongs directly and exclusively to us except as otherwise provided in this agreement or by applicable law.

You shall not use the name, "Colors on Parade" or any of the Colors on Parade Commercial Symbols licensed, as part of your corporate name or partnership name. You must, however, use the name "Colors on Parade" as a part of a trade name as provided in the Operations Manual.

You understand and acknowledge that every detail of the Colors on Parade system is important to us, to you, and to other licensed Colors on Parade franchisees to develop and maintain uniformity of services and products. You accordingly agree:

You shall use and display the Colors on Parade Commercial Symbols only in the formats that we specify.

- i) You shall immediately notify us of any unauthorized use or legal action involving the Colors on Parade Commercial Symbols or the Colors on Parade System, and shall cooperate in our prosecution or defense of any action. We may, in our sole discretion, defend you in any infringement action.

- ii) You agree to carry out the Colors on Parade business in accordance with the operational standards that we have established and set forth in the Operations Manual.

In order to preserve the validity of the Colors on Parade Commercial Symbols and copyrights, and to assure that you are properly using them in your franchise, we or our representatives will, during normal business hours, have the right to observe the way in which you serve your customers. We also have the right to confer with your employees and customers. Additionally, we may select products and services for testing and evaluation in order to make certain that they are within the quality control provisions we have established. We shall pay for this inspection.

Approved Advertising- You shall use only currently approved advertising in any media placement. We shall not unreasonably withhold consent for any written request for exceptions.

Approved Products and Services- You agree to offer for sale only those types of products and services that we judge to be consistent with the Colors on Parade System. You shall not offer for sale products or services for which you lack enough skill to provide the high level of service associated with the Colors on Parade System.

Best Efforts- You shall use your best efforts to develop your skills to provide the full range of Colors on Parade Services.

Goodwill- You agree to protect the goodwill of the Colors on Parade Commercial Symbols and the Colors on Parade System.

Publicity- You agree to allow us to use your (or your principal's(s)) name and photographic likeness of any type, including film, video tape, or photograph, in publicity of the Colors on Parade System.

Competition and Confidentiality- You shall sign a Non-Competition and Confidentiality Agreement which will become part of this agreement.

To protect Colors on Parade, you, and other franchisees in the Colors on Parade franchise network, you must require each partner, adult shareholder, and employee to enter into a non-competition and confidentiality agreement before performing any work or otherwise having any access to any confidential information.

Training and Certification- You shall complete the basic training of Colors on Parade franchisees. Additionally, you shall participate in training as we require from time to time. You shall require any employees, partners or agents who render services in the franchised business to complete training.

Sources of Supplies- To safeguard the integrity of the Colors on Parade System and Colors on Parade Commercial Symbols, you shall use only approved supplies in the operation of the franchise. If you wish to use supplies which we have not approved you shall first submit them to us through your designated Area Developer.

Modification of System- You recognize and agree that from time to time we may reasonably change the System presently identified with the Colors on Parade Commercial Symbols. We, in our sole discretion, may do so to meet the demands of the industry, to protect our Commercial Symbols, to improve the quality of the franchise system, or for other valid business purpose. Accordingly, we may adopt and use new or modified Commercial Symbols, copyrighted materials, products, equipment or techniques, without liability to you. You agree to implement these changes within a period of six (6) months from the time we notify you of them. Any requests for exceptions due to financial inability must be made in writing.

Minimum Performance Goals- You shall operate the franchised business on a full-time basis and use your best efforts in promoting the Colors on Parade services within the territory. You will establish in consultation with the Area Developer minimum sales performance objectives of \$ _____. These will be appended to and become part of this contract and shall be reviewed annually. A copy of these objectives should be forwarded to us annually.

Insurance- You shall procure at your sole expense, and keep in full force during the term of this Agreement, insurance in the following amounts:

Contractors equipment floater	\$10,000
Commercial general liability per occurrence	\$500,000
General aggregate products and completed operations	\$1,000,000
Medical payments	\$5,000
Fire legal liability	\$300,000
Personal & advertising injury	\$500,000
Business auto each accident	\$1,000,000
Garage keepers limit per location	\$22,000

You will have us named on the policy as additional coinsured. The insurance carrier must be licensed in the State or Province in which the franchised business is located and must carry a rating of A or better by A.M. Best. You shall provide us with certificates of insurance within 30 days of the opening of your business. You shall procure and maintain all insurance that may be required by any federal, state, or local government. If you do not procure and/or maintain the required insurance, we may choose to maintain the insurance, and obtain reimbursement from you for premiums we pay for you.

Hospitalization insurance and life insurance- You shall be responsible to maintain for yourself hospitalization and life insurance in a reasonable amount. If you are a corporation or partnership, then you must maintain for each partner or shareholder holding more than ten percent (10%) interest the corporation.

Personnel Management- You will:

- properly train your employees;
- provide your employees with Colors on Parade approved uniforms;
- comply with all federal, state, and local laws regulating your work force.

Disability- If you become physically disabled and unable to arrange for the continued operation of your business, then we may choose to operate the franchise in your behalf, through your territory's Area Developer. We shall be entitled to receive from you a reasonable compensation for our efforts.

6. ACCOUNTING AND RECORDS

Records and Books of Account

You are to keep and preserve complete accounting records of your business.

You are to submit to us standard reports as we may require including:

A monthly operating statement submitted no later than the 30th day following the close of the immediately preceding calendar month in a format we designate;

A monthly sales report submitted no later than the 10th day after the close of the immediately preceding calendar month.

Right to Audit your Records

You will allow us from time to time, during normal business hours, to inspect your systems and controls, advertising materials and supplies, methods of production and sales, books of account, and other business records to ensure compliance with the terms and conditions of this Agreement.

Any examination we make of your records will be at our expense or the expense of the Area Developer performing the examination in our behalf.

7. TRANSFERABILITY OF INTEREST

Your Right to Transfer

You acknowledge that the rights and duties that this Agreement creates are personal to you (or, in the case of a corporate or partnership franchise, to your principal(s)), and that we have entered into this Agreement with you in reliance upon your individual or collective character, business ability, and financial capacity. Accordingly, neither this Agreement nor any part of the franchised business may be transferred without our prior written approval. Any transfer without our approval shall constitute a material breach of this Agreement and convey no rights to or interest in this Agreement or in the Colors on Parade System's franchised business.

As used in this Agreement, the term "transfer" shall mean and include your voluntary or involuntary, direct or indirect, assignment, sale or other transfer of any interest in this Agreement.

Approval Procedure

If you are in full compliance with this Agreement, we shall not unreasonably withhold approval of a proposed transfer that meets all the applicable requirements set out in this agreement and our then current standards for qualifying new franchisees.

If the transfer is of a controlling interest in the franchise, or is one of a series of transfers which, all together, constitute the transfer of a controlling interest in franchisee, all of the following conditions must be met:

The transferee (or its principal(s)) must have, in our opinion, sufficient business experience, aptitude, and financial resources, and must have passed our qualification process for new franchisees;

You must pay us all amounts you owe us as of the transfer date and you must not be in default of this Agreement;

The transferee must have successfully completed our training program;

The transferee must have acquired a van pursuant to the requirements of this Agreement;

The transferee must agree to be bound by all the terms and conditions of the Franchise Agreement then being offered to new franchisees.

Except as otherwise set forth in this agreement transferee must pay us a transfer fee of \$500.

We must approve the material terms and conditions of the transfer, including that the price and terms of payment are not so burdensome as to put at risk the continuation of the franchised business;

You must execute a non-competition and confidentiality covenant in favor of us and the transferee, agreeing that for not less than 2 years, starting on the transfer date, neither you nor any member of your immediate family nor any of your partner(s) or shareholder(s) will have any interest as a disclosed or beneficial partner, shareholder or franchisee in any similar business in the metropolitan statistical area in which the territory is located;

You agree that any obligations the transferee has to make installment payments to you for the franchise shall be subordinate to the transferee's obligation to pay amounts due us; and

You must execute a general release, in a form satisfactory to us, of any and all claims, known or unknown, against us and our officers, directors, employees, and agents.

Right of First Refusal

You may not convey any interest in the franchised business without first offering it in writing to the Area Developer in whose DMA your franchise is located, with a copy of the offer to us. The offer must be at a stated price and upon stated terms which the Area Developer may accept in writing at any time within 30 days from the receipt of your written offer. If the Area Developer does not accept the offer, you may sell or dispose of the business to a qualified buyer, but not at a lower price or on more favorable terms than had been offered to the Area

Developer and subject to our prior written permission. If the terms of the sale are materially altered from the offer you made to the Area Developer, then the Area Developer has an additional 10 days from our receipt of the written agreement between you and the buyer in which to purchase the franchised business under the same terms and conditions as offered and agreed to between you and the buyer. If the Area Developer does not exercise his option to purchase the franchised business then we will not unreasonably withhold our consent to the transfer. If you do not sell or dispose of the franchised business within 90 days from the date the business is first offered, you must re-offer to sell to the Area Developer prior to the sale to anyone else.

Compassionate Transfer to a Spouse or Child

If a transfer of the franchised business to your spouse or child or your principal(s), a transfer fee shall not be assessed.

Compassionate Transfer Upon Death or Disability

Upon your death or permanent disability, your personal representative shall assign your interest in this Agreement to a third party only upon our approval. There can be no interruption of business operations for longer than 2 consecutive weeks and this disposition shall be completed within 6 months from the date of death or permanent disability. The assignment will be subject to all the terms and conditions contained in this Agreement applicable to assignments. If the interest is not disposed of within 6 months, we may terminate this Agreement and the rights to all customers you may have developed will revert to the Area Developer. If you die or are permanently disabled, we will not assess a transfer fee if your interest is assigned to a third party that we approve.

Transfer to your Corporation

We have entered into this Agreement in reliance upon your personal qualifications and representations if you are an individual, or those individuals who will actively and substantially participate in the operations of the franchised business if you are a corporation or a partnership. If, with our consent the rights in this agreement are assigned to a corporation, then you will remain the owner of not less than 51% of the total voting capital shares, during the entire term of the Agreement, with the unencumbered right to vote the shares. Our consent to transfer to the corporation shall not be unreasonably withheld if:

The corporation is closely held;

The corporation conducts only the business that is authorized by this Agreement;

Each officer, director, and holder of 10 or more percent of the corporation's issued and outstanding shares executes a guarantee of the corporation's contractual and financial obligations;

The front of each corporate share certificate clearly indicates that the shares represented by the certificate are subject to the terms of this Agreement and the Corporate bylaws reflect that the shares are so restricted;

Each officer, director, and shareholder of 10 or more percent of the corporation's issued and outstanding shares executes a confidentiality and non-competition agreement.

You acknowledge that the purpose of these restrictions is to protect and benefit the Colors on Parade System.

Colors on Parade's Right to Transfer We retain the right to transfer this Agreement. If we do, the Agreement will be binding upon our transferee. However, we will make no transfer except to a transferee who, in our good faith judgment, is willing and able to assume and execute our obligations under this Agreement.

8. VIOLATION AND TERMINATION

You will be in default under this Agreement and all rights it grants to you shall terminate automatically without notice if any of the following occurs:

You make a general assignment for the benefit of creditors; or

You voluntarily abandon the franchised business. Abandonment is a failure for two consecutive weeks to service your customers unless you have made arrangements prior to the absence and you resume active operation of the franchised business upon your return.

A petition for bankruptcy for liquidation, reorganization, or similar proceeding is filed by or against you; your real or personal property is attached or levied upon by any government official of competent jurisdiction.

You (including your principal(s) or agent(s)) shall be in default under this Agreement and we may, at our option, terminate this Agreement without affording you any opportunity to cure the default, effective immediately upon your receipt of notice, if any of the following events occur:

If you are found guilty by a court of competent jurisdiction of a felony of any sort;

You make a material misrepresentation or omission under the acquisition of the franchise or you knowingly maintain false books or records, or submit false reports to us;

You fail on 3 occasions within any 12 consecutive months to comply with any material provisions of this Agreement, whether or not the failure to comply is cured after notice to you;

You engage in numerous business activities in a substantially unethical manner eliciting repeated customer complaints which would cause irreparable harm to the goodwill associated with the Colors on Parade System;

You engage in any operation of the franchised business outside the territory;

You fail to complete training in a manner to our satisfaction;

You disclose our trade secrets or other confidential information to persons unauthorized by this Agreement to receive this information; or

You attempt to make an unauthorized transfer, assignment, sale or encumbrance of your right, title or interest under this Agreement or of the franchised business in any respect.

You may terminate this Agreement without transfer only if you are in full compliance with all of its provisions and give us 60 days advance notice of your intent. Upon termination all rights in the territory become the Area Developer's.

Except as otherwise provided in this Paragraph, you shall have 30 days after receipt from us of a written notice of breach to remedy any defaults under this Agreement. If the default cannot reasonably be cured within 30 days you must initiate within that time substantial and continuing action to cure the default. You must also provide evidence to us of your actions. If any default is not cured within the specified time or any longer period the law may require, this Agreement shall terminate without notice to you. You will be in default for any failure to comply substantially with any of this Agreement's requirements. These defaults will include, without limitation, the occurrence of any of the following events:

You refuse or neglect to pay amounts due us;

You do not submit or accurately report Sales or any other report this Agreement requires;

You do not obtain a business license and keep it in force;

You do not abide by or perform any provision or requirement in this Agreement or in the Operations Manual.

9. RIGHTS AND DUTIES OF PARTIES UPON EXPIRATION, TERMINATION OR NON-RENEWAL

Your Obligations- If this Agreement ~~terminates~~ for any reason, and regardless of any dispute which may exist between you and us, you will:

Immediately stop using all Colors on Parade Commercial Symbols. You shall release all telephone numbers used in directory listings and advertising in which any of the Colors on Parade Commercial Symbols are used. If you do not take action, then we shall have the right to cause action to be taken at your expense. You agree to reimburse us for all expenses we incur to require you to cease using the Commercial Symbols, telephone numbers, signs, stationery, advertising, or other means of identification;

Within 10 days, ship all samples, printed forms, advertising pieces and manuals, including the confidential Operations Manual, bearing Colors on Parade Commercial Symbols (all of which are acknowledged to be Colors on Parade's property), freight prepaid, in good condition, to an address we designate; and

Pay us, as directed, within 15 days after the effective date of termination all amounts you owe us.

Post Term Competition- For 2 years following the termination of this Agreement neither you nor any of your partner(s) or shareholder(s) shall engage in, or have any financial or management interest, directly or indirectly either as an officer, proprietor, agent, employee, director, shareholder, franchisee or partner, in any other mobile or fixed location paint restoration business in the standard metropolitan statistical area in which the territory is located. This Paragraph shall not apply to ownership of less than a 5% interest in the equity securities of any publicly-held corporation.

10. INDEMNIFICATION

You acknowledge that you are solely responsible for all loss or damage arising out of your business and the conduct of your affairs. You will hold us and our present and future officers, directors, employees, agents, and representatives harmless from all costs, legal fees and liabilities with respect to all claims for any loss or damage arising from the business, except for any breach of this Agreement or other civil wrongs committed by us.

11. TIME LIMITATIONS

Any claim arising in connection with this Agreement or its interpretation or enforcement, or alleging non-performance or any breach of this agreement on our part you must file no later than 180 days from the date of its creation, or the claim will be automatically waived and forever barred.

12. DISPUTE RESOLUTION

Colors on Parade has implemented a dispute resolution procedure involving three basic steps. You agree to abide by this procedure. The steps are (1) Private Negotiation, (2) Mediation and (3) Binding Arbitration. The procedure is as follows:

Step 1 – Private Negotiation- Whenever any cause or potential cause for disagreement may occur within the Colors on Parade community, the parties involved will enter into direct communication with one another. Only persons empowered to act conclusively in behalf of the business may be included in this meeting. The object is to contain the difficulty and resolve it at this level before it goes any farther.

At this meeting, the parties will implement the following procedure.

The one bringing the complaint, the claimant, should describe in objective terms the signs or symptoms that indicate a problem or a potential problem may exist.

The claimant should describe what he/she believes should be happening as contrasted to what he/she actually observes happening.

The claimant should try to outline a practical way that he/she thinks will resolve the issue so that it remains contained among the parties involved.

The respondent must also be allowed to go through the three steps above if he/she cannot agree to some resolution of the issue.

If the parties can agree to a resolution at this stage, they should immediately write down their understanding. The solution may be handwritten with copies for each person made and signed by both parties.

Step 2 – Mediation- If the difficulty becomes so severe that the parties cannot bring themselves to meet personally and maintain a factual perspective, they may skip the first step then, and go directly to mediation. Or if the personal talks have totally broken down they will request the intervention of a mediator or mediators.

Within the Colors on Parade community, in cases of disputes among members of the community, we will provide a list of three suggested mediators to deal with the situation. The disputants may choose one of the mediators. If they are unable to agree on a candidate from the list within 5 business days following receipt of the list, each party will, within 10 business days following receipt of the list, send to us a rating of the candidates ranked from number 1 to 3 in descending order of preference. The candidate with the lowest combined score will be appointed as the mediator by us. The disputants must inform us of the need for mediation.

As soon as the parties reach agreement, the mediator must commit the understanding to writing. Each disputant must sign the agreement. The mediator will keep a copy, each disputant will receive a copy and the corporate office will receive a copy for its files.

Step 3 – Binding Arbitration- If steps 1 and 2 do not bring resolution, a panel of neutral arbitrators will be appointed.

The parties will each choose one arbitrator. The two arbitrators will select a third. The parties will determine the forum for arbitration. If, however, the parties fail to establish a forum the standard rules of arbitration as set out by the American Arbitration Association will apply. The parties will establish between themselves the law to apply to the proceedings. If, however, they fail to do so the laws of the state of Georgia will apply. The arbitration will be binding and the decision of the arbitrators final.

The format of the arbitration process is this:

One or each disputant submits a demand for arbitration to us. We will assist in the selection of arbitrators and serve as case administrator.

Once the arbitrators are appointed, they will control the proceedings and all decisions will be final and binding and may be filed in a court of competent jurisdiction.

12. INJUNCTIVE RELIEF

You acknowledge that the franchise granted by this Agreement is one of many franchises using the Colors on Parade Commercial Symbols and System, and that your failure to comply in a material sense with any of the stipulations of this Agreement could cause irreparable damage to the Colors on Parade franchise system, for which no adequate remedy at law may be available. Therefore, you agree that if any of the violations listed in Section 8 happen or you threaten to commit a breach or allow any violations to be committed, we shall have the immediate right to secure a judicial order enjoining any breach or threatened violation. If this Agreement has been terminated as of the date of the breach or threatened violation, we may enjoin you and your principal(s), officers, representatives, employees, or other responsible persons from any continued act or status in violation of this Agreement.

If we seek a judicial order enjoining acts or omissions proscribed by this Agreement, no bond shall be required. However, if state law or regulations require the posting of a bond, the amount of the bond shall not exceed \$1,000.

13. MISCELLANEOUS

Construction- All reference in this agreement to singular or plural shall be construed to include the other where applicable, and the masculine or feminine to include the other and neuter genders. All agreements and obligations you assume will be joint and several covenants, and obligations of the several persons named you. If you are a corporation, then all agreements and obligations you assume will be joint and several covenants, and obligations of you and the individual or individuals signing on your behalf.

This Agreement may be executed in any number of copies, each of which when executed and delivered will be deemed an original.

Severability- If any part of this Agreement should for any reason be declared invalid, that decision will not affect the validity of the remaining portion. The remaining portion will remain in force as if this Agreement had been executed with the invalid portion eliminated. It is declared the intention of the parties that we would have executed the remaining portion of this Agreement without including any portion which may, for any reason, be later declared invalid.

Effect of Waivers- If we choose not to enforce any default or breach in performance on your part, time being of the essence, we shall retain the right to enforce the same default or breach at a later time under the same or different terms or conditions.

Amendment- Except as otherwise provided in this Agreement, no amendment or change from this Agreement shall be binding upon either of us except by mutual written agreement.

Remedies- If we must institute against you any action in law, in equity, or in arbitration to secure or protect our rights or remedies under this Agreement, we shall be entitled to recover as part of any judgment entered in our favor reasonable costs of collection or litigation. Neither this remedy nor any other remedy we exercise will be deemed exclusive, but we will be entitled to exercise cumulatively all remedies available in law or in equity, including injunctive relief. Our exercise of any one right or remedy will not preclude us from exercising any other right or remedy. This will apply to causes of action arising both during and after the term of this Agreement.

Relationship of Parties- You are an independent contractor with entire control of your business and operations, subject only to the conditions and obligations established by this Agreement. No agency, employment, joint venture, or partnership is created by this Agreement. Your business is separate and apart from any that we may operate. Neither you nor we will make representations tending to create apparent agency, employment, or partnership. Unless otherwise specifically stated in this agreement, no party will have authority to act for another, to in any manner create obligations or debts binding on the other. No party will be responsible for any obligations or expenses of another. No person performing any duties or engaged in any work at your request shall be deemed our employee or agent. You will decide what price to charge for your products and services, as long as the prices are reasonably competitive in your local market area.

Notices- Any notice required or permitted by this agreement to be given will be in writing and may be given by personal service or by United States certified or registered mail, with postage thereon fully prepaid, in a sealed envelope, addressed to us or you, at the address that appears on page 1 of this Agreement. The addresses given for the service of notice may be changed at any time by any party through written notice to the other.

Successors- This Agreement in binding to yours and ours successors and assignees.

Operations Manual- As used in this Agreement, the term "Operations Manual" refers to all training and instructional materials provided by us to you regarding the operation of the franchised business. You acknowledge upon your signing this Agreement your receipt and loan of a copy of the Operations Manual and assure strict compliance with the standards, specifications, and requirements it contains (or as we may amend it from time to time). You agree to pay us the sum of \$500.00 if, upon termination of this Agreement for any reason, you fail to return this manual, including amendments or supplements to it.

Interpretation- The parties intend this Agreement to be legally binding and to be interpreted and construed in accordance with the laws of Georgia. However, the restrictive covenants contained in this Agreement, and the Guaranty of Franchisee's Undertakings to the Franchise Agreement shall be construed in accordance with the laws of the state(s) where the restriction(s) is (are) to apply, and the laws of the state(s) will determine the enforceability of the covenants to be performed in those state(s).

14. ACKNOWLEDGMENTS.

You acknowledge that:

You have conducted an independent investigation of the business contemplated by this agreement. You understand that the business involves risks that make its success largely dependent on your business abilities and your efforts as an independent business operator. We expressly disclaim that we have made to you any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business contemplated by this agreement, or the suitability of the territory as a successful location for the franchised business. You acknowledge that we have made no such claims.

You have no knowledge of any representations by us or our officers, directors, shareholders, employees, or agents about the business contemplated by this agreement that are contrary to the terms of this agreement or the documents incorporated. You represent that you have made no misrepresentations in obtaining this agreement.

Our approval of your territory does not constitute recommendation of the territory, nor any assurance that the operation of a Colors on Parade franchise there will be successful or profitable.

We or our agents have provided you with a franchise offering circular by the earlier of the first personal meeting held to discuss the sale of a franchise, 10 business days before the execution of this agreement, or 10 business days before any payment of any consideration. You acknowledge that you have read such franchise offering circular and understand its contents.

We have provided you with a copy of this agreement and all related documents fully completed, for at least five (5) business days prior to your execution of them.

You have had ample opportunity to consult with your own attorneys, accountants, and other advisors and that our attorneys have not advised you with respect to this agreement or the relationship created by it.

You, together with your advisors, have sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to this franchise.

You recognize that our other present or future franchisees may operate under different forms of agreement(s), and consequently that our obligations and rights with respect to our various franchisees may differ materially in certain circumstances.

This instrument constitutes the entire agreement of the parties. This agreement terminates and supersedes any prior agreement between the parties concerning the same subject matter.

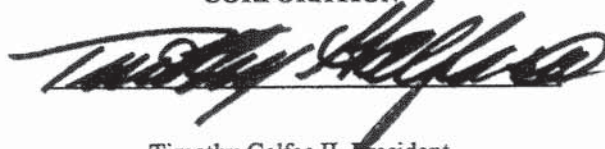
XV

THIS AGREEMENT IS MODIFIED AND EXPLAINED BY
LETTER DATED 2 MAY 1996 FROM THOMAS R HAMBRICK,
DIRECTOR OF FRANCHISE COMPLIANCE WHICH EXPLAINS AND DETAILS
GRANT OF RIGHT IN THIS AGREEMENT.

IN WITNESS WHEREOF, you and we have executed this Agreement as of the effective date indicated on page 1 of this Agreement.

FRANCHISOR:
TOTAL CAR FRANCHISING
CORPORATION

BY:



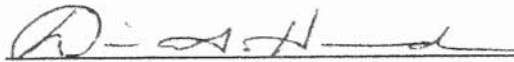
TITLE:

Timothy Galfas II, President

(AFFIX CORPORATE SEAL)

YOU:

BY:



Devin Hamden

LIMITED RIGHTS FRANCHISEE



NATIONAL HEADQUARTERS
3305 Breckinridge Blvd., Suite 100
Duluth, GA 30136

(800)7-COLORS; (770)923-0559; FAX (770)923-0048

May 2, 1996

Mr. Devin Handen
1835 Westover Avenue, S.W.
Roanoke, VA 24015

Dear Devin:

Through this letter, we are endeavoring to clarify a couple of points that you are presently concerned with. We understand your concerns and want to assure you of our position on these matters.

First, you mentioned that you had reservations concerning the Area Developers control over the territory in which you may be operating. You feel as if (according to the Limited Rights Franchise Agreement) an Area Developer has the right to remove or alter your assigned territory/customers for any reason he may decide. The Limited Rights Franchise Agreement does not and will not support an arbitrary take-over or a change of a Limited Rights Franchisee's assigned territory by an Area Developer. This is not how our system operates. The Area Developers are there to assist you in developing your territory.

There are two reasons, however, why an Area Developer would alter or make adjustments in your assigned territory/customers. One would be if you are sick and unable to take care of your customers. The second reason would be if your customers are not satisfied with your work and consider discontinuing working with Colors on Parade. Since the territory belongs to the Area Developer, I am sure you can appreciate his concern in this regard. He has spent thousands of dollars to purchase the territory and, therefore, would be able to make adjustments under those circumstances.

We want to assure you that if a situation ever arises where an Area Developer alters or changes your assigned working territory for any other reason than those stated above, you should immediately contact the corporate office.

Secondly, you are concerned about being able to use your previous working knowledge and expertise in the event you would leave Colors on Parade. We assure you, as noted in the Non-Competition form you signed, that your previous knowledge, training and skills are yours. The issue that Colors on Parade has is with the trade secret and proprietary information that you have learned and have been trained by during your time with the company. We realize that most

people who become part of our team have previous skills and expertise, and it is not our intent to deprive others of that or to attempt to take that away from them.

Please be assured that your concerns are valid and we appreciate you taking the opportunity to discuss them with us. We hope that we have been able to answer your questions and address your concerns in an amicable way.

Sincerely,

A handwritten signature in dark ink, appearing to read "Thomas R. Hambrick", is written over a faint, circular, dotted background.

Thomas R. Hambrick
Director of Franchise Compliance

cc: Timothy Galfas, II